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ESRC-DFID Research for Policy and Practice:

Pensioner poverty

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Foreword

While recent decades have seen huge strides in the reduction of global poverty, inequalities persist, particularly among our ageing population. If we are to deliver on the 2030 Agenda for Sustainable Development, we cannot ignore the huge potential that older people bring.

Across the world, the proportion of people aged 60 and above is projected to more than double by 2050 and more than triple by 2100. Often portrayed as a cost and burden to global and national systems, increased longevity in fact presents a great opportunity for society. Longer lives not only deliver social benefits but are also crucial from an economic perspective. If supported, longevity can yield tremendous productivity gains, both in terms of a larger and experienced labour force, as well as in contributions to society, such as caregiving and volunteering.

This collection of ESRC-DFID funded research provides excellent, globally relevant and contextually grounded evidence. The research shows that in many settings, universal cash transfers and social pension programmes are providing much-needed financial support to older people.

A study in Malawi and Lesotho demonstrates the benefits of cash transfers for older people, their families and communities. A study in Kenya shows that social pensions are undeniably having an impact, but this could be further enhanced through a combination of universal and targeted support. There need to be concerted efforts to ensure that support reaches the most vulnerable members of society.

Although we still need to know more, these studies show how older people who are financially secure are more likely to be able to work for longer, take on caring roles, invest in the community, or help other members of society. If we are to end global pensioner poverty, we need to work to change the rhetoric that older people are a burden.

Together we should learn from the evidence that we have and improve systems to enable people to thrive in their later lives.

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Village market, Malawi.

Key messages

- The Sustainable Development Goals (SDGs) aim to end all forms of poverty everywhere by 2030. Given that older people are extremely vulnerable to poverty, it should be a priority for all signatories to the SDGs to protect the rights of older people and to provide a safety net for them and their families.
- While universal cash transfer and/or social pension programmes may ensure that more people receive financial support, they must also identify and reach the most vulnerable older people. This includes older people who may lack access to services or may not know about their entitlements, or who may be 'hidden' or difficult to reach, such as people without identity documents or people with disabilities.
- Supporting older people financially does not only benefit the individuals themselves, but can have positive impacts on their families and communities. A pension income may mean that older people have a stronger economic role, as consumers or as providers of loans.

Inclusion should be the priority for social pensions


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Josephine Napkonde with some of the second hand clothes she sells to make ends meet. She looks after five children.

By 2050, 2 billion people will be 60 or older. The increase in the number of older people will be greatest and most rapid in the developing world. In response to this, a growing number of countries have introduced or expanded cash transfer schemes for older people. But do these schemes, whether universal or targeted, reach those that need them most?

The Older Persons Cash Transfer Programme (OPCTP) in Kenya, from 2006 to 2017, targeted extremely poor and vulnerable households with a member aged 65 years or older. In 2018, recruitment for the OPCTP ceased and the programme was replaced by a universal scheme (*Inua Jamii* 70+). Researchers in the UK and Kenya examined the targeting accuracy of the OPCTP to inform debates on targeting and the role of cash transfers in alleviating poverty. Using mixed methods, they focused on two slum communities (Korogocho and Viwandani) in Nairobi and looked at the national picture using the 2015/16 Kenya Integrated Household Budget Survey.

Analysis of the data shows that older people in households that were doing better economically were less likely to be included in the OPCTP. However, the qualitative investigation revealed concerns among some older beneficiaries, as well as key informants, about errors in the enrolment process, which resulted in the exclusion of some highly vulnerable older people. "I can tell the government even the ones who are not getting [stipend] there are others who are suffering so they increase the numbers of those other older people who are [in the OPCTP scheme]." (33-year-old woman, adult child of female primary OPCTP beneficiary, Korogocho)

For targeted programmes, identifying those most in need can be particularly problematic in resource-poor settings against a backdrop of unreliable information on incomes. Targeting can also lead to inclusion and exclusion errors; however, a well-targeted programme should reach its intended beneficiaries. Eligible households for the OPCTP were identified through a two-stage targeting process that included community-based selection and proxy means-testing.

Analysis of the 2015/16 Kenya Integrated Household Budget Survey corroborates the findings on inclusion errors, with 36 per cent of all beneficiary households classified as non-poor prior to receiving the OPCTP – pointing to a considerable leakage of funds going to non-poor households. The analysis showed that 'hidden' older people – such as those with disabilities, those who are incapacitated or isolated, and those without identity documents – were less likely to be selected through the community-based targeting process.

The universal *Inua Jamii* 70+ programme was to address some of the issues identified in the targeted OPCTP, such as inclusion and exclusion errors, and would improve coverage. Recent evidence confirms the success of universal schemes in reaching their intended recipients. However, more must be done to reach vulnerable 'hidden' older persons who are unable to enrol on the programme.

In particular, those who are incapacitated or isolated were found to be excluded from the programme even though they qualify on eligibility criteria. Enrolment usually requires the person to present themselves at government offices, so geographical distance and inability to travel can be a barrier. Lack of identification documents also prevents those eligible from enrolling. Moreover, vulnerable older people under 70 will be missed in the Inua Jamii 70+ programme.

Evidence shows that on average in Kenya, men have a 14 per cent chance of dying by the age of 70, while the corresponding figure for women is 11 per cent. These risks are likely to be higher among people living in poverty. In light of this, the research suggests continuing investment in social protection for people aged 65–69, while increasing coverage at 70 plus. Finally, targeted as well as universal programmes can increase efforts to reach out to 'hidden' older persons through, for instance, community-based registration (to minimise the barriers associated with travel to a registration office) and door-to-door campaigns (to identify those left behind).

Project title: Impact of social pensions on multiple dimensions of poverty, subjective wellbeing and solidarity across generations

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The study team was led by Dr Gloria Chepngeno-Langat, in partnership with Professor Maria Evandrou, Professor Jane Falkingham, Dr Nele van der Wielen (University of Southampton), Dr Isabella Aboderin and Hilda Owii (Africa Population and Health Research Centre).

SEE ALSO:

Kidd, S. and Athias, D. (2019) *Hit and Miss: An Assessment of Targeting Effectiveness in Social Protection*, Orpington: Development Pathways

World Health Organization (2016) Global Health Observatory data repository, Life tables by country: Kenya, http://apps.who.int/gho/data/?theme=main&vid=60850 (accessed 17 July 2019)

Cash transfer schemes for older people benefit everyone

Many African countries have introduced social cash transfer schemes that explicitly target older people. Research in rural Lesotho and Malawi showed that elderly people are not the only ones to benefit from these schemes; they also have a positive knock-on effect on families and communities. Supporting older people also has high legitimacy, both among community members and politically.

In 2003, Lesotho introduced an old age pension targeting everyone aged 70 or over, except those with a government occupational pension. The value of this pension (at the time of writing) was US$56 a month. Malawi does not yet have a pension scheme, but its Social Cash Transfer programme, which targets ultra-poor labour-constrained households (about 10 per cent of all households), benefits many elderly people. This largely donor-funded scheme disburses payments of between US$3.50 and US$7.50 a month, depending on household size, with supplements of US$1 or US$2 for each school-going child.

A team of researchers from Brunel University London and other institutions in the UK, Sweden, Lesotho and Malawi undertook qualitative research between 2016 and 2018 in rural communities that are receiving these payments. In two villages (one in Lesotho and one in Malawi), researchers interviewed all members of households that receive social cash transfers, and conducted individual interviews and participatory activities with young adults from recipient and non-recipient households.

The research found that cash can make older people better off materially, but also less reliant on others and, in some cases, older people were able to exercise decision-making power around household purchases or investments. Cash transfers to older people also benefited other family members. In Lesotho, for example, the cash helped to pay for grandchildren's school fees and uniforms. Even in Malawi, where the amount of the transfer is smaller, older people commonly live close to relatives and share the food they buy with their daughters' households.

The ability to contribute in this way gives older people greater social status and decision-making power within households headed by their adult children. This was notable in Lesotho, where the transfer amounts are greater. For example, older people no longer needed to keep asking their grandchildren to collect water, but could offer them money or pay a neighbour to do so instead. However, some older people were resentful that younger generations increasingly expect to be paid for the help they provide. In both the villages where research was conducted, cash also circulates as older recipients of the transfer become consumers, buying groceries in local shops or from small traders; in other cases, they were able to provide loans to other community members or purchase services.

In both villages, targeting older people was perceived to be fair. This is not simply because of the wider benefits, but because older people

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Visit to Fihliwe's Village in Lesotho. Older women of the village join in some dancing and singing.

cannot be expected to continue to work to support themselves. Lesotho's old age pension was almost universally praised for giving older people a degree of autonomy. This perception of fairness relates strongly to the universal character of Lesotho's pension. Everyone's elderly relative has an equal entitlement.

In Malawi, national targeting of the cash transfers focuses on the household level, yet locally, the payments were perceived as belonging to individual recipients rather than their household. Most beneficiaries selected through community targeting were older people, revealing the extent to which they are viewed as deserving. However, cash transfers were often 'inherited' by younger family members when an older person died, causing resentment within families and communities. A pension scheme explicitly targeting on the basis of age would resolve this difficulty. Cash transfers to older people were widely accepted to benefit other generations within families, without the shame or stigma attached to grants to younger people.

Cash transfers to older people are widely supported, even by people that do not appear to directly benefit, and they generally have political support at the national level. Ultimately, this research supports moves towards universal social pensions as a preferred policy for social protection, and ultimately as a means to lift communities out of poverty.

Project title: Social cash transfers, generational relations and youth poverty trajectories in rural Lesotho and Malawi

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This study took place in partnership with researchers including Lorraine van Blerk, Flora Hajdu, Elsbeth Robson, Thandie Hlabana and Evance Mwathunga.

SEE ALSO:

MacAuslan, I. and Riemenschneider, N. (2011) 'Richer But Resented: What do Cash Transfers do to Social Relations?' *IDS Bulletin* 42.6: 60–66

Madhavan, S.; Schatz, E.; Gómes-Olivé, F.X. and Collinson, M. (2017) 'Social Positioning of Older Persons in Rural South Africa: Change or Stability?' *Journal of Southern African Studies* 43.6: 1293–1307

Mugomeri, E.; Chatanga, P.; Khetheng, T. and Dhemba, J. (2017) 'Quality of Life of the Elderly Receiving Old Age Pension in Lesotho', *Journal of Aging & Social Policy* 29.4: 371–393

Schatz, E. and Seeley, J. (2015) 'Gender Ageing and Carework in East and Southern Africa: A Review', *Global Public Health* 10.10: 1185–1200

THE IMPACT INITIATIVE

For International Development Research

This summary highlights the key messages from research focusing on universal cash transfers and social pension programmes from the ESRC-DFID Joint Fund for Poverty Alleviation and is an output of the Impact Initiative for International Development Research.

It was written in collaboration with research teams and collated by Vivienne Benson at the Institute of Development Studies (IDS). The academic reviewer for this paper was Keetie Roelen, IDS Research Fellow.

The Impact Initiative seeks to connect policymakers and practitioners with the world-class social science research supported by the ESRC-DFID Strategic Partnership, maximising the uptake and impact of research from: (i) the Joint Fund for Poverty Alleviation Research; and (ii) the Raising Learning Outcomes in Education Systems Research Programme. We seek to identify synergies between these programmes and their grant-holders, support them to exploit influencing and engagement opportunities and facilitate mutual learning. The Impact Initiative is a collaboration between the Institute of Development Studies and the University of Cambridge's Research for Equitable Access and Learning (REAL) Centre.

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Joint Fund for Poverty Alleviation: aims to enhance the quality and impact of social science research, addressing the key international development goal of reducing poverty amongst the poorest countries and peoples of the world.

Raising Learning Outcomes in Education Systems Programme: aims to provide policymakers and practitioners with concrete ideas on how to improve learning outcomes and to inform relevant policy and programme decision.

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